

**SEC. 638. ADMINISTRATION OF BENEFITS FOR SO-CALLED  
MINIMUM  
INCOME WIDOWS.**

(a) ADJUSTED ANNUAL INCOME LIMITATION APPLICABLE TO ELIGIBILITY FOR INCOME SUPPLEMENT.—(1) Section 4 of Public Law 92-

425 (10 U.S.C. 1448 note) is amended—

(1) in subsection (a)(3), by striking out "\$2,340" and inserting in lieu thereof "the maximum annual rate of pension in effect under section 1541(b) of title 38, United States Code";

and  
(2) in the first sentence of subsection (b), by striking out "\$2,340 a year" and inserting in lieu thereof "the maximum annual rate of pension in effect under section 1541(b) of title 38, United States Code".

(2) Subsection (c) of such section is repealed.

(b) PAYMENTS TO BE MADE BY SECRETARY OF VETERANS AFFAIRS.—Such section is further amended by adding at the end the following new subsection:

"(e)(1) Payment of annuities under this section shall be made by the Secretary of Veterans Affairs. If appropriate for administrative convenience (or otherwise determined appropriate by the Secretary of Veterans Affairs), that Secretary may combine a payment to any person for any month under this section with any other payment for that month under laws administered by the Secretary so as to provide that person with a single payment for that month.

"(2) The Secretary concerned shall annually transfer to the Secretary of Veterans Affairs such amounts as may be necessary for payments by the Secretary of Veterans Affairs under this section and for costs of the Secretary of Veterans Affairs in administering this section. Such transfers shall be made from amounts that would otherwise be used for payment of annuities by the Secretary concerned under this section. The authority to make such a transfer is in addition to any other authority of the Secretary concerned to transfer funds for a purpose other than the purpose for which the funds were originally made available. In the case of a transfer by the Secretary of a military department, the provisions of section 2215 of title 10, United States Code, do not

apply.

"(3) The Secretary concerned shall promptly notify the Secretary of Veterans Affairs of any change in beneficiaries under this section."

(c) CLARIFICATION OF CONTINUING ELIGIBILITY FOR DEPARTMENT OF VETERANS AFFAIRS PENSION.—

Such section, as amended by subsection (a)(2), is further amended by inserting after subsection

(b) the following new subsection (c):

"(c) The amount of an annuity payable under this section, although counted as income in determining the amount of any pension described in subsection (a)(2) of this section, shall not be considered to affect the eligibility of the recipient of such annuity for such pension, even though, as a result of including the amount of the annuity as income, no amount of such pension is due."

(d) EFFECTIVE DATE.—The amendments made by this section take effect on July 1, 1997, and apply with respect to payments of benefits for any month after June 1997.